DEPARTMENT OF TRANSPORTATIONDIVISION OF ENGINEERING SERVICES OFFICE ENGINEER, MS 43 1727 30TH STREET P.O. BOX 168041 SACRAMENTO, CA 95816-8041 FAX (916) 227-6214



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May 3, 2006

11-SD-94-R21.2/R21.6 11-263004

TTY (916) 227-8454

Addendum No. 2

Dear Contractor:

This addendum is being issued to the contract for construction on State highway in SAN DIEGO COUNTY NEAR RANCHO SAN DIEGO FROM 0.3 KM WEST OF AVOCADO BOULEVARD OVERCROSSING TO 0.2 KM EAST OF AVOCADO BOULEVARD OVERCROSSING.

Submit bids for this work with the understanding and full consideration of this addendum. The revisions declared in this addendum are an essential part of the contract.

Bids for this work will be opened on May 18, 2006.

This addendum is being issued to revise the Notice to Contractors and Special Provisions.

In the Special Provisions, Section 5-1.108, "COMPENSATION ADJUSTMENTS FOR PRICE INDEX FLUCTUATIONS," is added as attached.

To Proposal and Contract book holders:

Inquiries or questions in regard to this addendum must be communicated as a bidder inquiry and must be made as noted in the NOTICE TO CONTRACTORS section of the Notice to Contractors and Special Provisions.

Indicate receipt of this addendum by filling in the number of this addendum in the space provided on the signature page of the proposal.

Submit bids in the Proposal and Contract book you now possess. Holders who have already mailed their book will be contacted to arrange for the return of their book.

Inform subcontractors and suppliers as necessary.

Addendum No. 2 Page 2 May 3, 2006

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This office is sending this addendum by confirmed facsimile to all book holders to ensure that each receives it. A copy of this addendum is available for the contractor's use on the Internet Site:

http://www.dot.ca.gov/hq/esc/oe/weekly_ads/addendum_page.html

If you are not a Proposal and Contract book holder, but request a book to bid on this project, you must comply with the requirements of this letter before submitting your bid.

Sincerely,

ORIGINAL SIGNED BY

PEDRO ORSO-DELGADO District Director

Attachment

5-1.108 COMPENSATION ADJUSTMENTS FOR PRICE INDEX FLUCTUATIONS

The provisions of this section shall apply only to the following contract items:

ITEM CODE	ITEM
390102	ASPHALT CONCRETE (TYPE A)
397001	ASPHALTIC EMULSION (PAINT BINDER)
374002	ASPHALTIC EMULSION (FOG SEAL
	COAT)

The compensation payable for paving asphalt used in asphalt concrete and asphaltic emulsion (paint binder) and asphaltic emulsion (fog seal coat) will be increased or decreased in conformance with the provisions of this section for paving asphalt price fluctuations exceeding 10 percent (Iu/Ib is greater than 1.10 or less than 0.90) which occur during performance of the work.

The quantity of paving asphalt used in asphaltic emulsion (paint binder) and asphaltic emulsion (fog seal coat) will be determined by multiplying the item quantity for asphaltic emulsion (paint binder) and asphaltic emulsion (fog seal coat) included in a monthly estimate by the minimum percent residue specified in Section 94, "Asphaltic Emulsions," of the Standard Specifications. The asphaltic emulsion minimum percent residue will be based on the type of emulsion used by the Contractor.

At the Contractor's option, the Contractor may provide actual daily test results for paving asphalt residue for the asphaltic emulsion (paint binder) and asphaltic emulsion (fog seal coat) used. Test results provided by the Contractor shall be from an independent testing laboratory that participates in the AASHTO Proficiency Sample Program. The Contractor shall take samples of asphaltic emulsion from the distributor truck at mid-load from a sampling tap or thief. Two separate 2-liter samples shall be taken in the presence of the Engineer. The Contractor shall provide one sample to the Contractor's independent testing laboratory, within 24 hours of sampling. The second sample shall be given to the Engineer. The test results from the Contractor's independent testing laboratory shall be delivered to the Engineer within 10 days from sample date.

The adjustment in compensation will be determined in conformance with the following formulae when the item of asphalt concrete or asphaltic emulsion (paint binder) or asphaltic emulsion (fog seal coat), are included in a monthly estimate:

- A. Total monthly adjustment = AQ
- B. For an increase in paving asphalt price index exceeding 10 percent:

$$A = 0.90 (1.1023) (Iu/Ib - 1.10) Ib$$

C. For a decrease in paving asphalt price index exceeding 10 percent:

$$A = 0.90 (1.1023) (Iu/Ib - 0.90) Ib$$

D. Where:

- A = Adjustment in dollars per tonne of paving asphalt used to produce asphalt concrete and asphaltic emulsion residue used as paint binder or fog seal coat rounded to the nearest \$0.01.
- Iu = The California Statewide Paving Asphalt Price Index which is in effect on the first business day of the month within the pay period in which the quantity subject to adjustment was included in the estimate.
- Ib = The California Statewide Paving Asphalt Price Index for the month in which the bid opening for the project occurred.
- Q = Quantity in tonnes of paving asphalt that was used in producing the quantity of asphalt concrete shown under "This Estimate" on the monthly estimate using the amount of asphalt determined by the Engineer plus the quantity in tonnes of paving asphalt that would have been used as residue in the asphaltic emulsion (paint binder) or asphaltic emulsion (fog seal coat) shown under "This Estimate" on the monthly estimate.

The adjustment in compensation will also be subject to the following:

A. The compensation adjustments provided herein will be shown separately on payment estimates. The Contractor shall be liable to the State for decreased compensation adjustments and the Department may deduct the amount thereof from moneys due or that may become due the Contractor.

- B. Compensation adjustments made under this section will be taken into account in making adjustments in conformance with the provisions in Section 4-1.03B, "Increased or Decreased Quantities," of the Standard Specifications.
- C. In the event of an overrun of contract time, adjustment in compensation for paving asphalt included in estimates during the overrun period will be determined using the California Statewide Paving Asphalt Price Index in effect on the first business day of the month within the pay period in which the overrun began.

The California Statewide Paving Asphalt Price Index is determined each month on the first business day of the month by the Department using the median of posted prices in effect as posted by Chevron, Mobil, and Unocal for the Buena Vista, Huntington Beach, Kern River, Long Beach, Midway Sunset, and Wilmington fields.

In the event that the companies discontinue posting their prices for a field, the Department will determine an index from the remaining posted prices. The Department reserves the right to include in the index determination the posted prices of additional fields.

The California Statewide Paving Asphalt Price Index is available on the Division of Engineering Services website at:

http://www.dot.ca.gov/hq/esc/oe/asphalt_index/astable.html